

Employment Report

Focus on South Placer County

May 2017

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Founding Partner, Beacon Economics



California fact versus fiction



2016 Best & Worst States For Business

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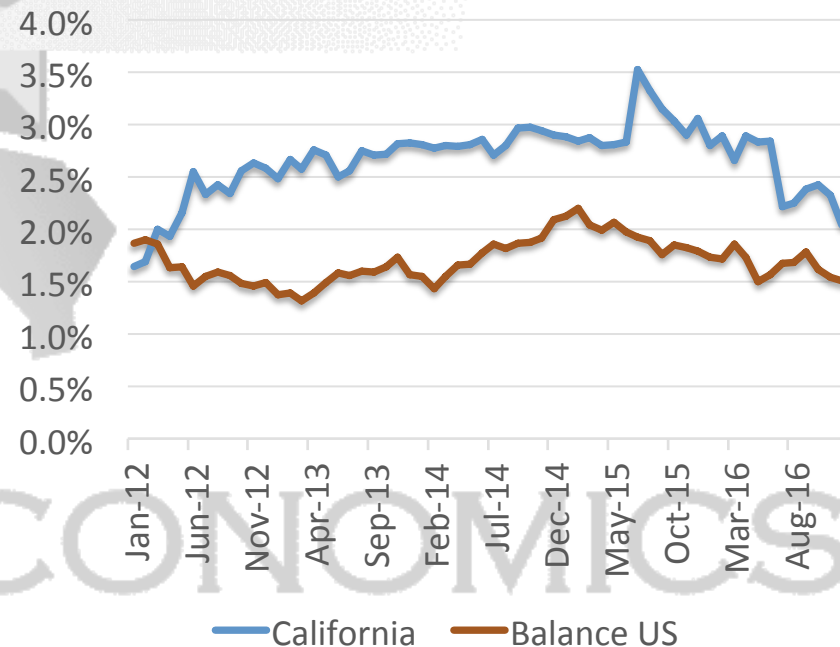


As for California

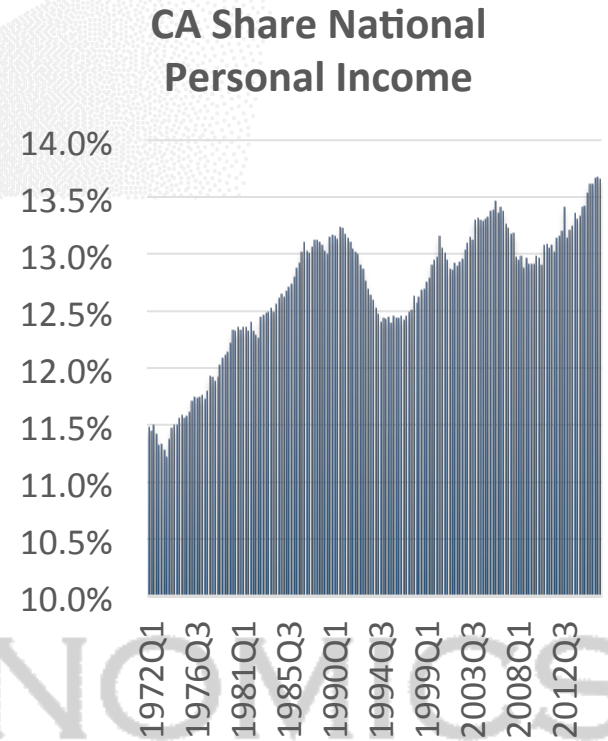
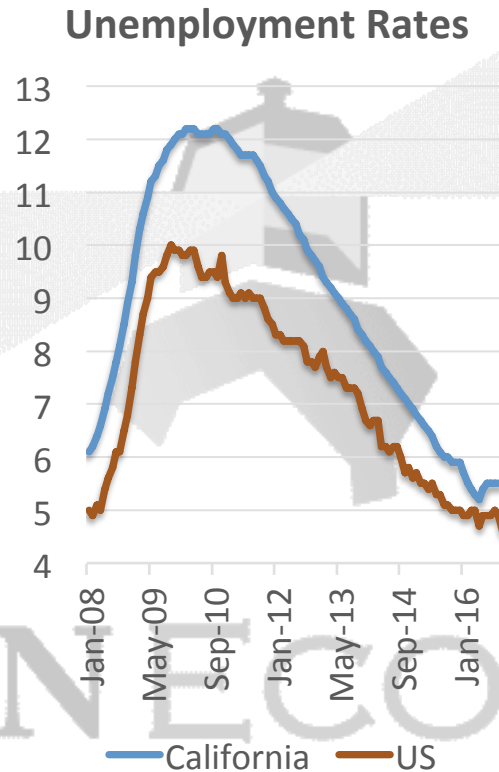
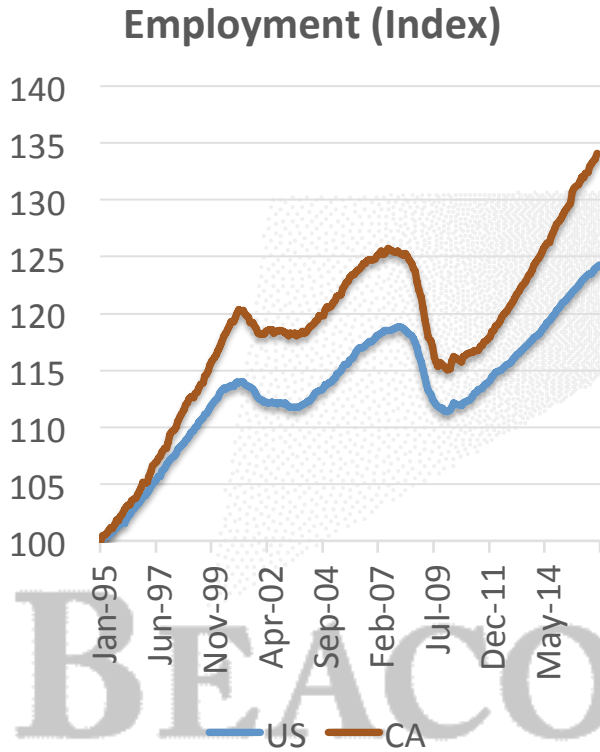
5 Year Change in Payroll Jobs by State

	New Jobs	Ann Gr	US Share
Utah	226	3.5%	1.8%
Nevada	188	3.1%	1.5%
Florida	1,207	3.1%	9.5%
Idaho	96	3.0%	0.8%
Colorado	344	2.9%	2.7%
Oregon	228	2.7%	1.8%
Washington	401	2.7%	3.2%
California	2,038	2.7%	16.1%
Georgia	521	2.5%	4.1%
Texas	1,425	2.5%	11.2%
Arizona	298	2.3%	2.3%
South Carolina	220	2.3%	1.7%
Tennessee	314	2.3%	2.5%
North Carolina	421	2.1%	3.3%
Montana	40	1.8%	0.3%

State and National Employment Growth

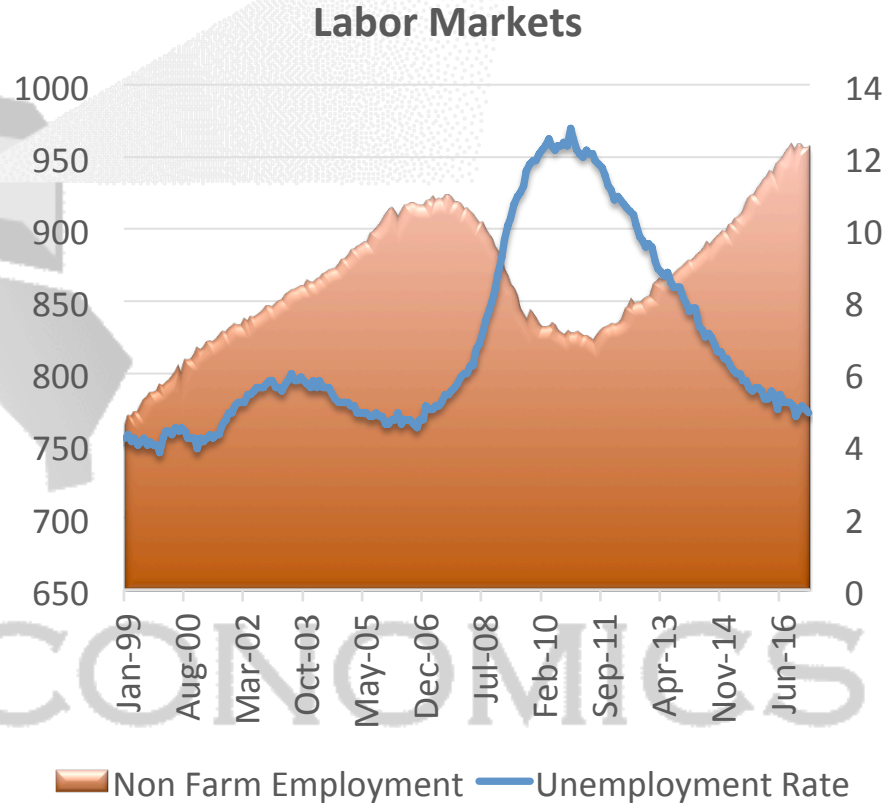


State Employment / Income



Where is Growth?

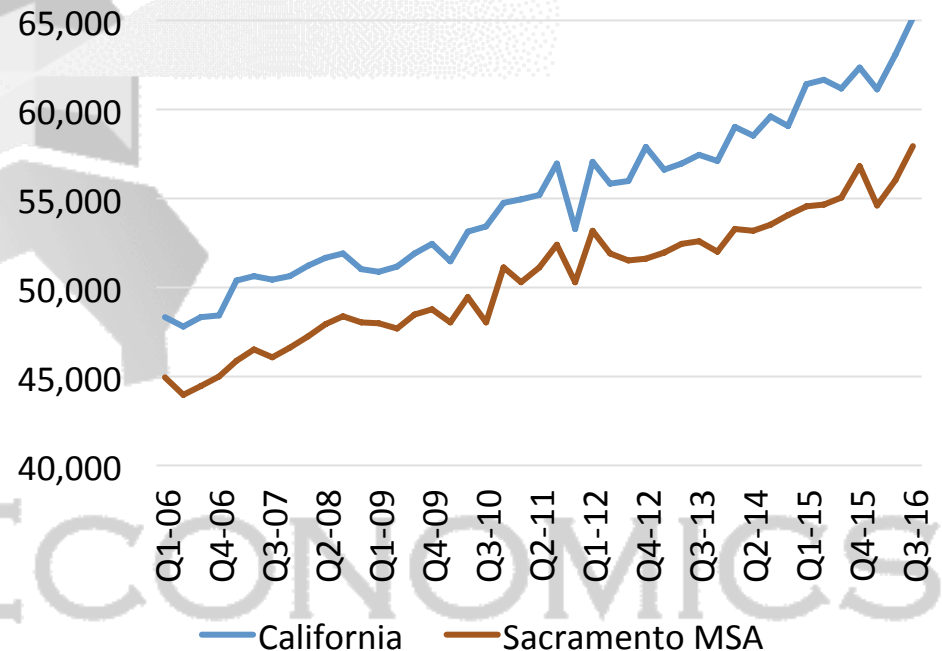
<u>Payrolls</u>	<u>Mar-17</u>	<u>15-16</u>	<u>16-17</u>
California	16,694.0	2.8%	2.1%
Inland Empire	1,433.7	4.0%	3.5%
Oakland (MD)	1,156.2	3.3%	2.8%
Ventura	306.9	1.2%	2.8%
Fresno	340.5	3.5%	2.7%
San Francisco (MD)	1,110.4	4.5%	2.5%
Sacramento	957.9	3.5%	2.0%
Stockton	228.3	3.9%	2.0%
San Diego	1,436.8	2.7%	2.0%
San Jose	1,081.0	3.3%	2.0%
Santa Barbara	183.1	0.7%	1.8%
Los Angeles (MD)	4,429.6	2.6%	1.7%
Orange County (MD)	1,591.5	2.7%	1.3%
Santa Rosa	201.7	2.5%	0.6%
Bakersfield	257.8	-0.8%	0.6%



Sacramento MSA Employment and Wages

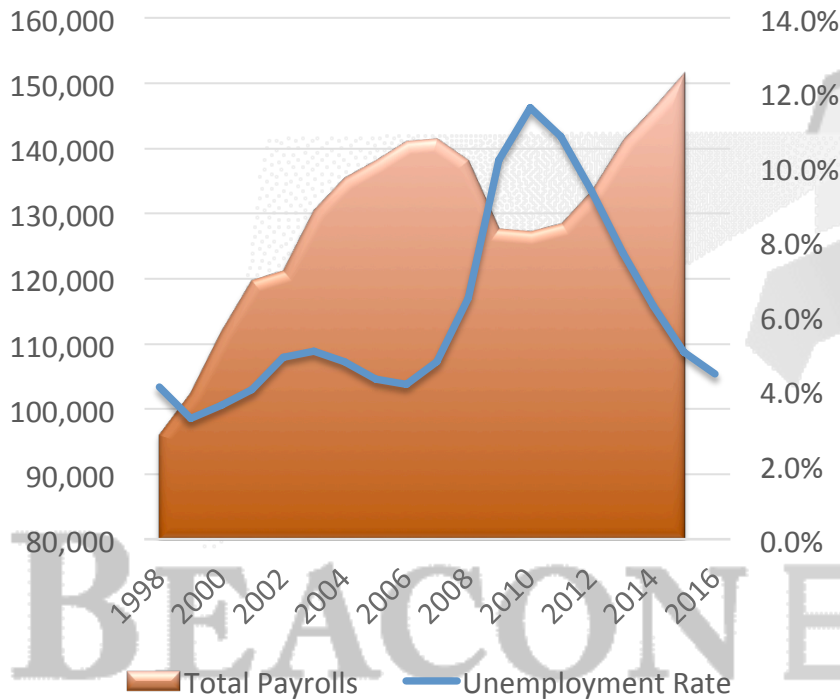
<u>Payroll Jobs</u>	<u>Mar-17</u>	<u>15-16</u>	<u>16-17</u>
Total Nonfarm	957.9	3.5%	2.0%
Admin Support	64.4	9.2%	5.9%
Education/Health	150.9	3.9%	5.2%
Logistics	26.4	4.5%	3.5%
Leisure and Hospitality	101.5	4.7%	3.0%
Prof Sci Tech	55.5	2.7%	2.6%
Wholesale Trade	25.9	4.5%	2.4%
Financial Activities	52.3	1.6%	1.8%
Retail Trade	101.6	3.3%	1.5%
Government	235.3	1.4%	0.9%
NR/Construction	53.6	9.2%	0.2%
Other Services	31	2.3%	-1.0%
Manufacturing	35.6	1.4%	-3.5%
Information	13.5	-1.4%	-3.6%
Management	10.4	5.8%	-5.5%

Average Annualized Wage
Sacramento MSA, Q1-06 to Q3-16



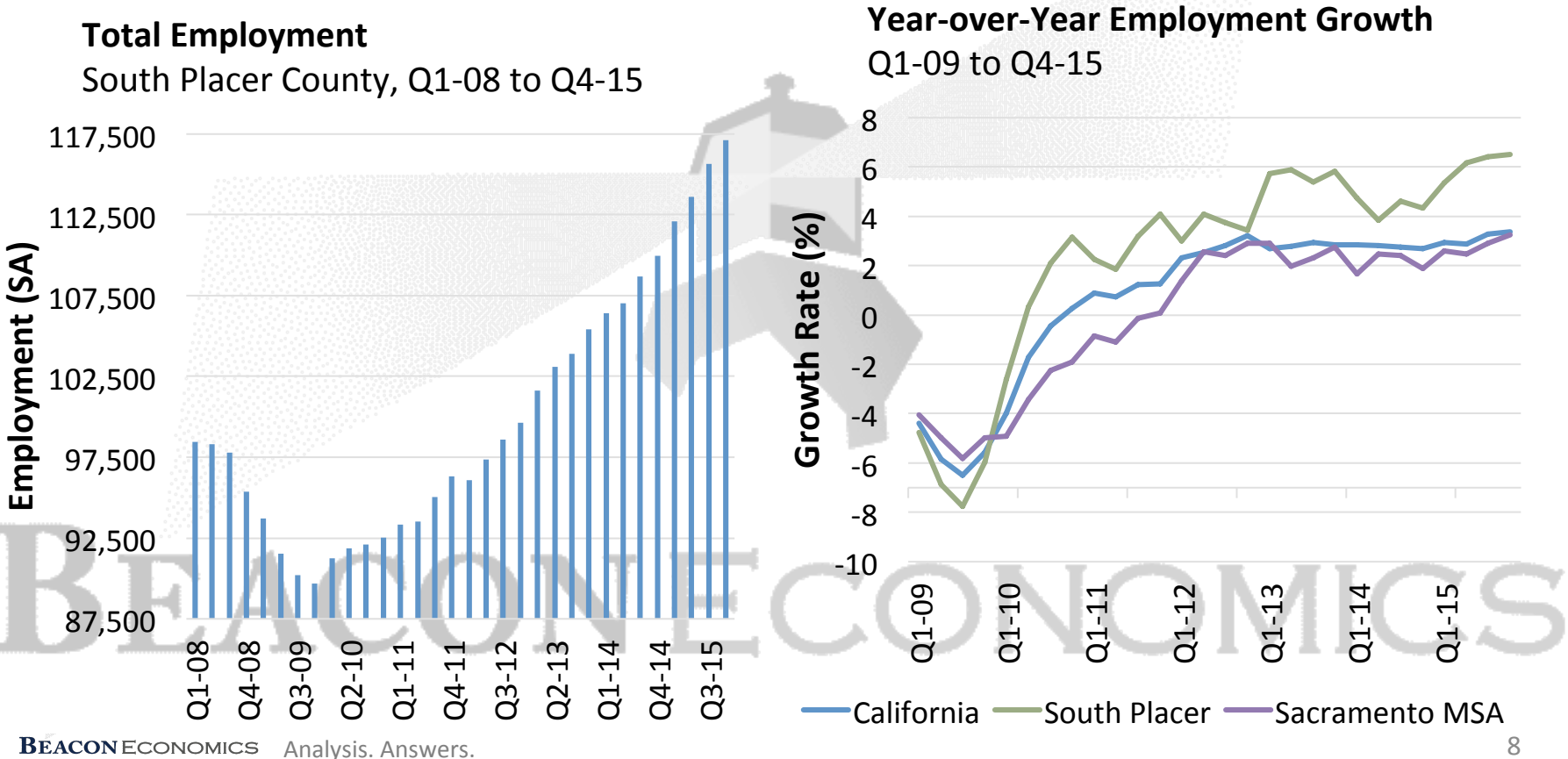
Placer Labor Markets

Placer County



	1995	2005	2015
Total, All Industries	76,500	138,200	151,800
Construction	6.7%	12.2%	8.0%
Durable Goods	7.7%	5.9%	3.6%
Nondurable Goods	1.3%	0.7%	0.7%
Wholesale Trade	2.5%	2.4%	2.8%
Retail Trade	13.7%	14.8%	14.5%
Logistics	2.2%	2.0%	2.2%
Information	2.6%	2.0%	1.7%
Finance & Insurance	3.5%	5.6%	5.5%
Real Estate	2.1%	2.4%	2.1%
Professional	2.9%	4.9%	5.1%
Management	3.3%	0.7%	1.1%
Administrative	4.7%	5.0%	6.0%
Educational & Health	11.0%	10.5%	16.1%
Leisure & Hospitality	14.5%	13.1%	13.4%
Other Services	3.5%	3.0%	4.0%
Government	17.1%	14.5%	13.0%

South Placer Employment



South Placer Establishments

Establishment Births/Deaths in South Placer County, 2010-2015

	Establishment Count			Private Employment		
Year	Birth	Death	Net	Gain	Loss	Net
2010	334	208	126	3,799	2,218	1,582
2011	353	226	127	3,706	4,246	-540
2012	352	137	215	5,169	1,958	3,211
2013	312	157	155	2,840	1,324	1,516
2014	340	174	166	3,221	1,344	1,877
2015	287	217	70	3,006	1,790	1,216
Period Total	1,978	1,119	859	21,741	12,880	8,861

Small Business on Top

Private Employment by Establishment Size in South Placer County, 2015

Category	Establishment Count*	Employment (000s)	5-Year Employment	
			Change	Growth (%)
Less than 15 Employees	2,533	25.2	+6,805	+37.1
15 to 24 Employees	521	10.6	+2,688	+34.1
25 to 49 Employees	360	13.1	+3,104	+31.0
50 to 250 Employees	339	36.2	+8,230	+29.4
More than 250 Employees	26	17.9	+1,773	+11.0
Total	3,780	103.0	+22,601	+28.1

Source: California Employment Development Department.

*Measures establishments with 3 or more employees.

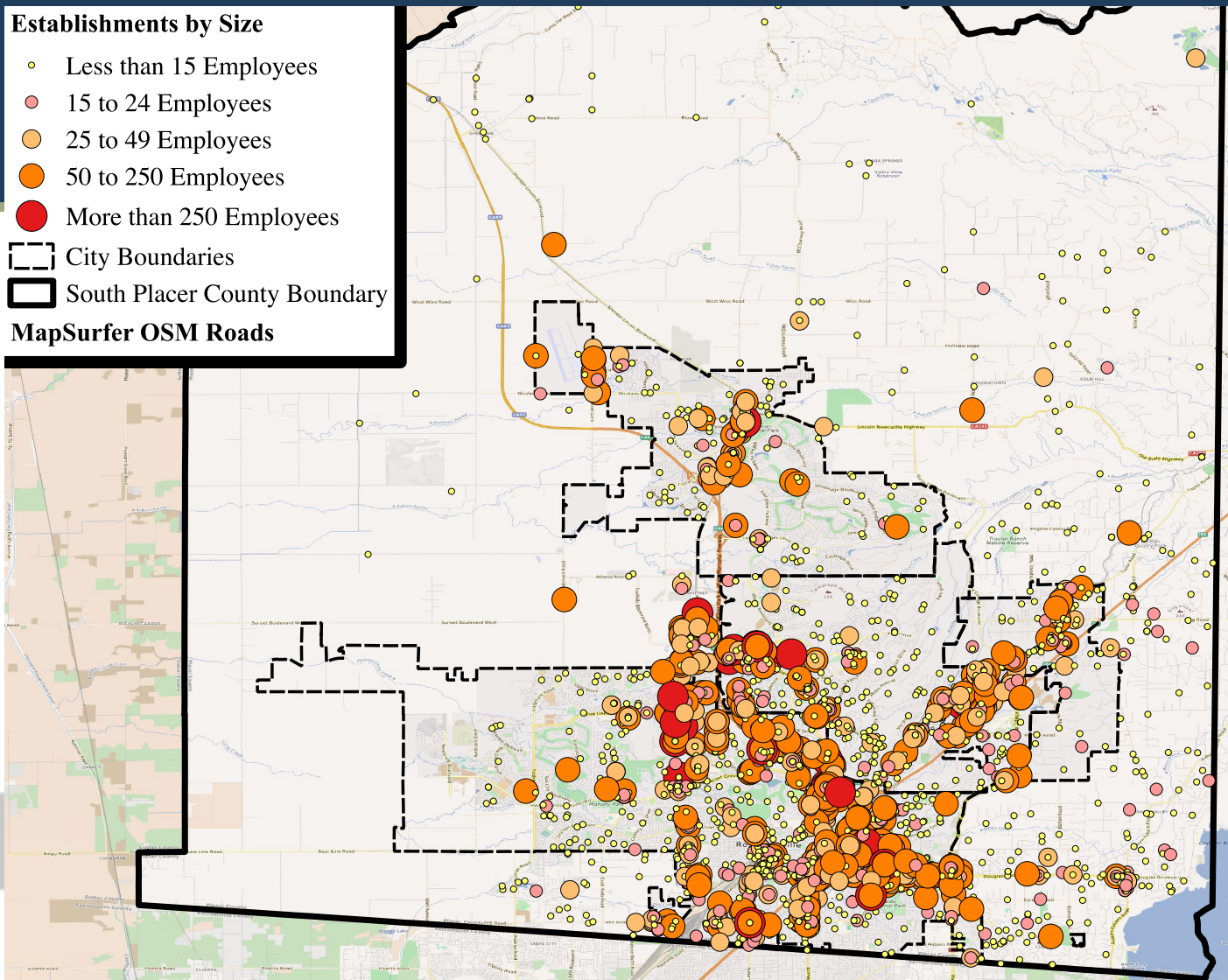
Establishments by Size

- Less than 15 Employees
- 15 to 24 Employees
- 25 to 49 Employees
- 50 to 250 Employees
- More than 250 Employees

City Boundaries

South Placer County Boundary

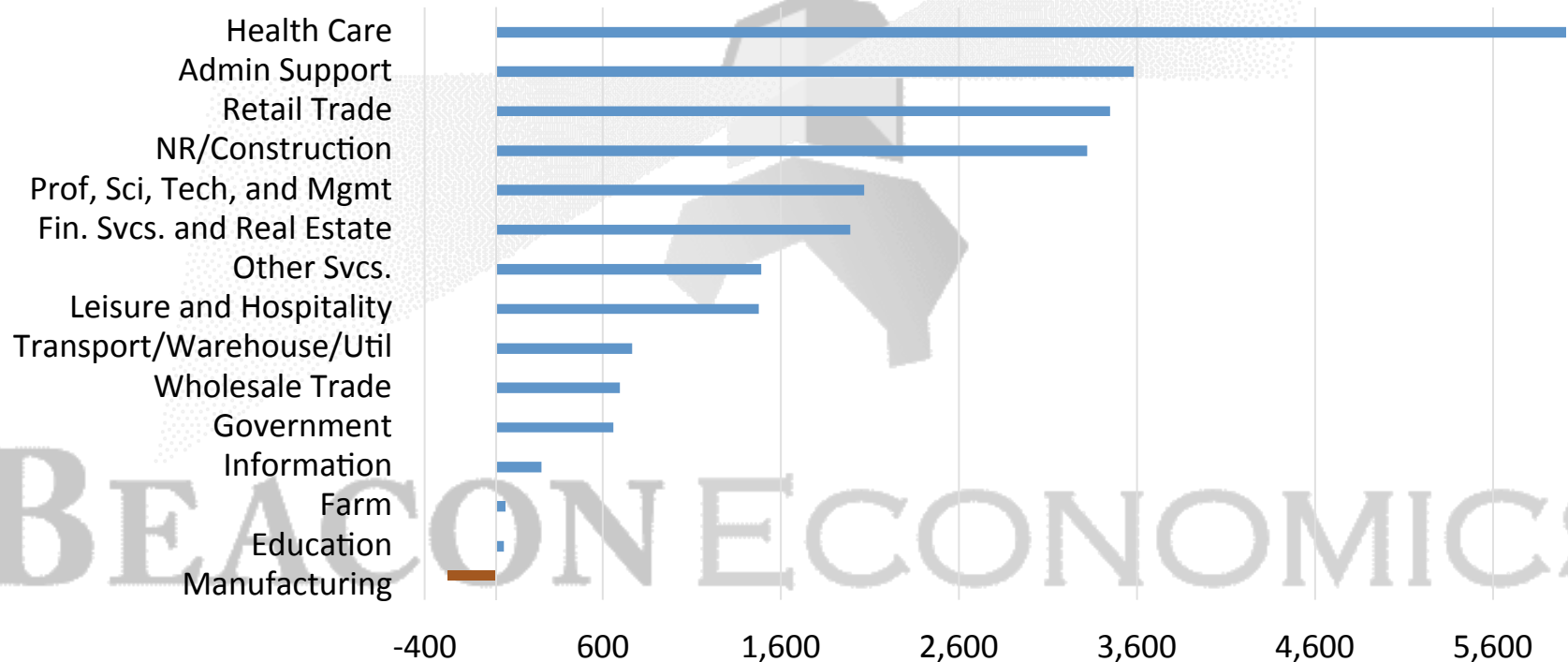
MapSurfer OSM Roads



South Placer Employment by Industry

Jobs Added/Lost by Industry

South Placer County, Q2-09 to Q4-15



South Placer Employment by Industry

Total Employment in South Placer by Industry, 2015

Industry	Total Employment (000s)	South Placer	YOY South Placer (%)	County Total (%)	California (%)	Location Quotient
NR/Construction	9.5	+1,415	+17.6	+15.6	+7.8	1.8
Health Care	18.0	+763	+4.4	+4.3	+4.1	1.2
Fin. Svcs. and Real Estate	9.9	+695	+7.5	+1.7	+1.8	1.8
Other Svcs.	4.6	+649	+16.5	+13.6	+6.3	1.1
Admin Support	7.4	+523	+7.6	+6.9	+2.9	1.0
Retail Trade	17.9	+519	+3.0	+2.4	+1.6	1.5
Prof, Sci, Tech, and Mgmt	7.7	+456	+6.3	+5.7	+2.4	0.8
Leisure and Hospitality	13.0	+351	+2.8	+0.3	+3.9	1.0
Information	2.2	+314	+16.3	+12.1	+5.4	0.7
Manufacturing	5.7	+308	+5.7	+5.1	+1.6	0.6
Wholesale Trade	3.5	+200	+6.0	+4.6	+0.9	0.7
Transport/Warehouse/Util	2.0	+162	+8.8	+8.2	+6.3	0.5
Education	1.1	-74	-6.4	-11.2	-5.6	0.5
Government	11.6	+329	+2.9	+2.0	+3.3	0.7
Total	114.6	+6,613	+6.1	+4.4	+3.1	-

South Placer Wages by Industry

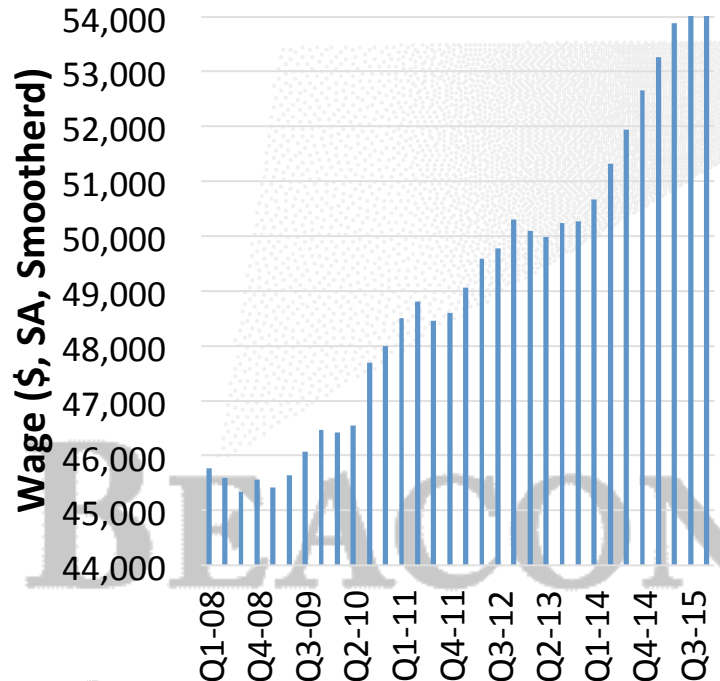
Avg. Annual Wages in South Placer County by Industry, 2015

Industry	Total Payrolls (\$Millions)	Avg. Annual Wage (\$000s)	<u>1-Year Growth</u>			Relative Wage (%)
			South Placer (%)	County Total (%)	California (%)	
Fin. Svcs. and Real Estate	833.9	84.0	+9.7	+8.6	+4.6	-12.4
Manufacturing	477.0	83.3	-5.8	-5.1	+3.1	-0.6
Prof, Sci, Tech, and Mgmt	574.4	74.1	+2.4	+1.0	+6.9	-34.8
Health Care	1,289.3	71.4	+4.8	+4.6	+3.3	+47.6
Wholesale Trade	241.7	68.3	+3.2	+3.9	+5.4	-9.7
Information	138.1	61.8	-5.5	-4.8	+7.0	-57.6
NR/Construction	548.7	58.0	+5.2	+5.8	+3.4	-10.6
Transport/Warehouse/Util	95.8	47.8	+0.4	+4.6	+3.1	-19.5
Admin Support	319.9	43.0	+6.0	+6.2	+4.8	+3.8
Retail Trade	601.1	33.5	+4.9	+4.8	+4.4	-3.2
Other Svcs.	152.7	33.3	+4.5	+5.4	+5.4	-13.8
Farm	7.6	28.7	+5.3	+11.1	+5.1	-5.3
Education	30.9	28.5	+4.7	+2.0	+3.7	-43.6
Leisure and Hospitality	249.8	19.2	+4.3	+4.5	+4.4	-28.7
Total Private	5,560.7	54.0	+4.3	+4.5	+4.7	-11.9
Government	637.8	54.8	+5.4	+5.2	+3.3	-14.5
Total	6,198.5	54.1	+4.5	+4.5	+4.5	-12.4

South Placer Wages

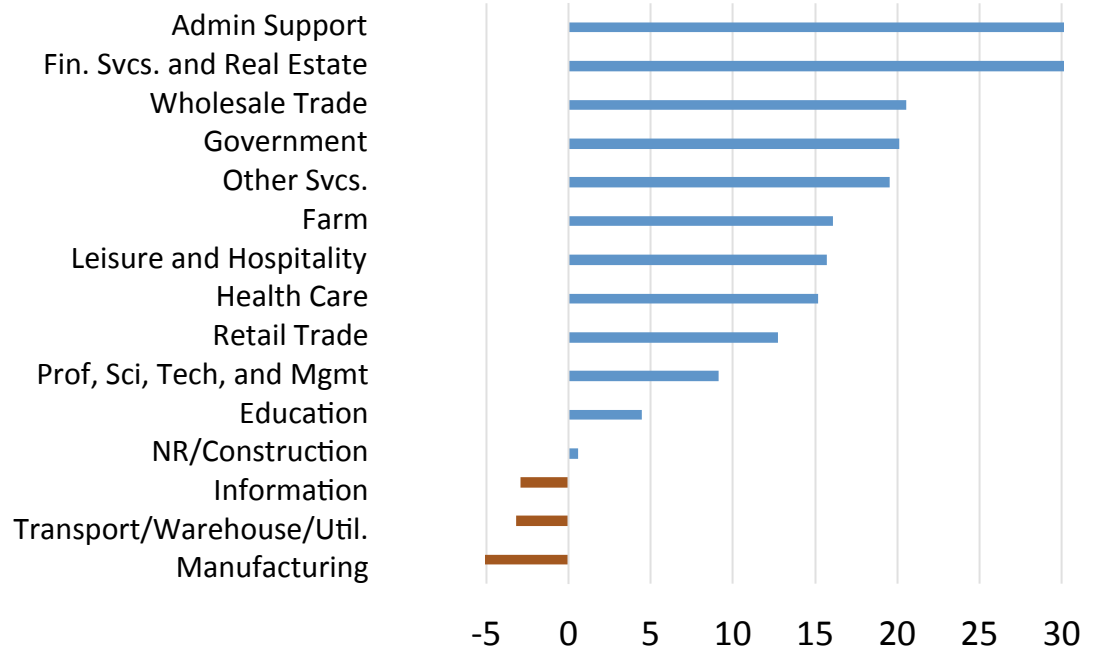
Average Annual Wage

South Placer County, Q1-08 to Q4-15



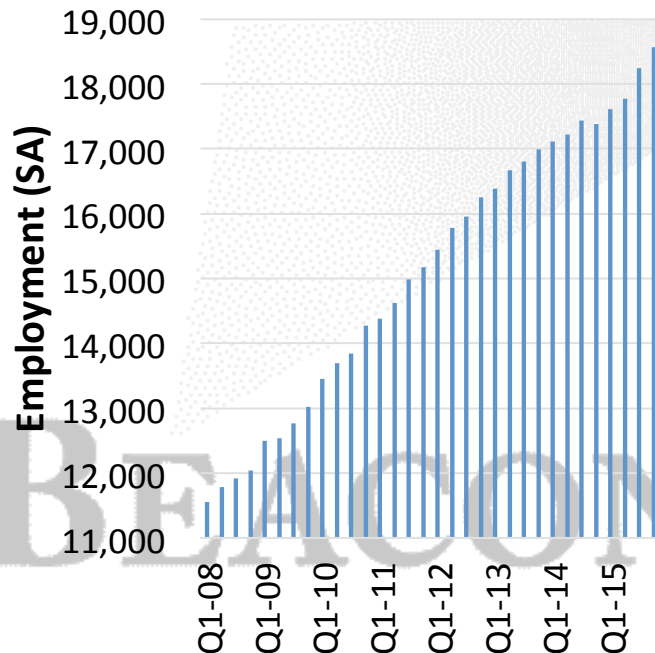
Wage Growth by Industry

South Placer County, Q2-09 to Q4-15



Health Care Industry

Health Care Employment
South Placer County, Q1-08 to Q4-15



Health Care Employment by City, 2015

City	Employment			Avg. Annual Wage	
	Jobs (000s)	5-Year Change	5-Year Growth (%)	Level (\$000s)	5-Year Growth (%)
Roseville	14.8	+3,002	+25.4	78.7	+19.5
Rocklin	1.8	+773	+77.9	36.1	-3.4
Lincoln	0.9	+276	+43.6	48.4	+1.2
Loomis	0.2	+39	+28.1	27.2	-3.5
South Placer	18.0	+4,230	+30.6	71.4	+15.1

Healthcare by Sector

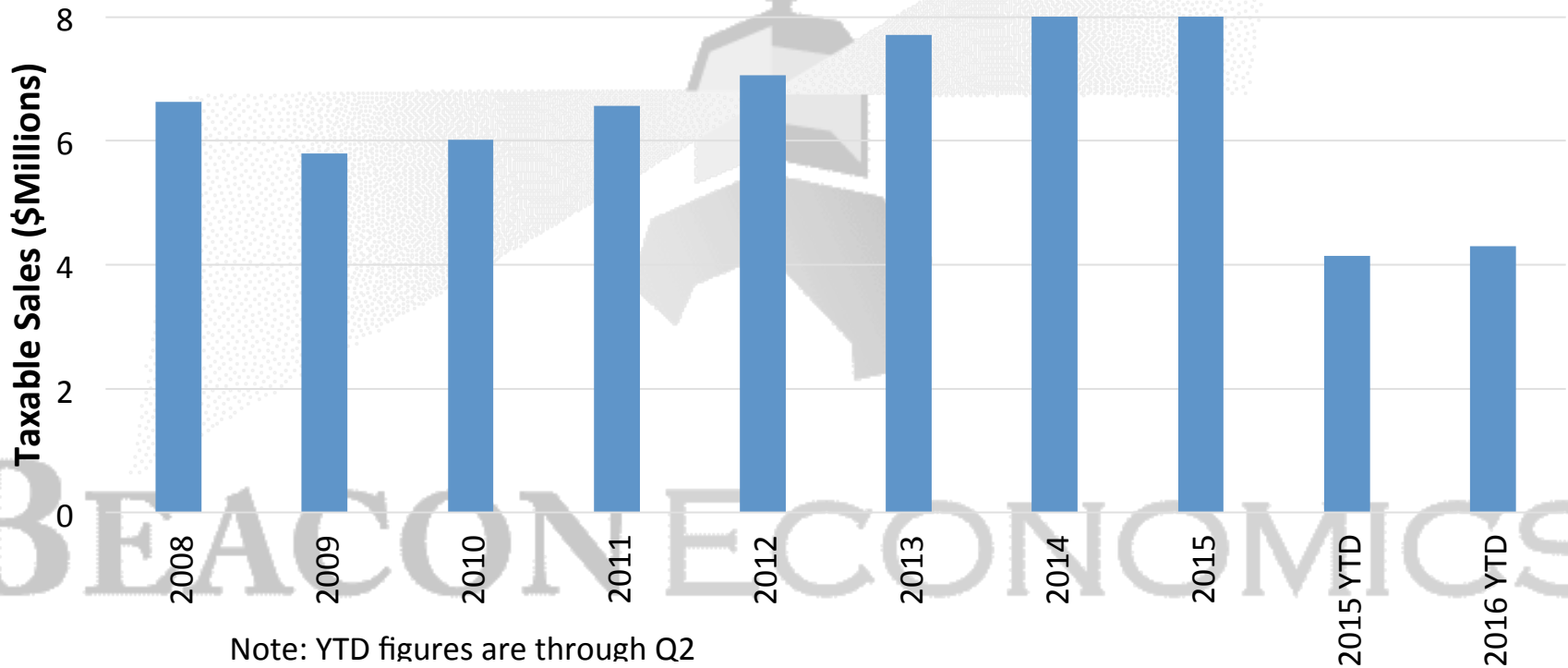
Health Care Employment by Subsector, 2015

Subsector	Employment			Avg. Annual Wage	
	Jobs (000s)	5-Year Change	5-Year Growth (%)	Level (\$000s)	5-Year Growth (%)
General Medical and Surgical Hospitals	4.0	+397	+11.1	93.2	+29.4
Individual and Family Svcs.	2.2	+1,304	+148.3	14.7	-9.2
Offices of Physicians	1.7	+226	+15.1	108.1	+48.2
Offices of Dentists	1.5	+290	+24.4	49.0	+1.6
Community Care Facilities for the Elderly	0.9	+506	+133.2	23.0	+5.4
Nursing Care Facilities	0.8	+79	+10.6	36.7	+19.5
Offices of Other Health Practitioners	0.7	+101	+17.5	37.3	+1.1
Home Health Care Svcs.	0.6	+297	+105.6	52.2	+17.3

Source: California Employment Development Department.

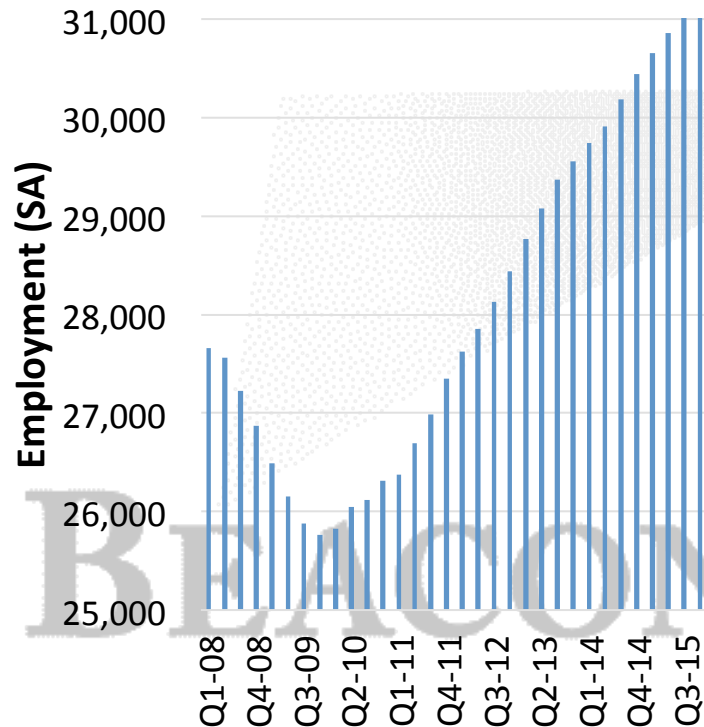
Consumer Spending in Placer County

Consumer Spending Activity
Placer County



Consumer-Facing Supersector

Consumer-Facing Employment
Q1-08 to Q3-15

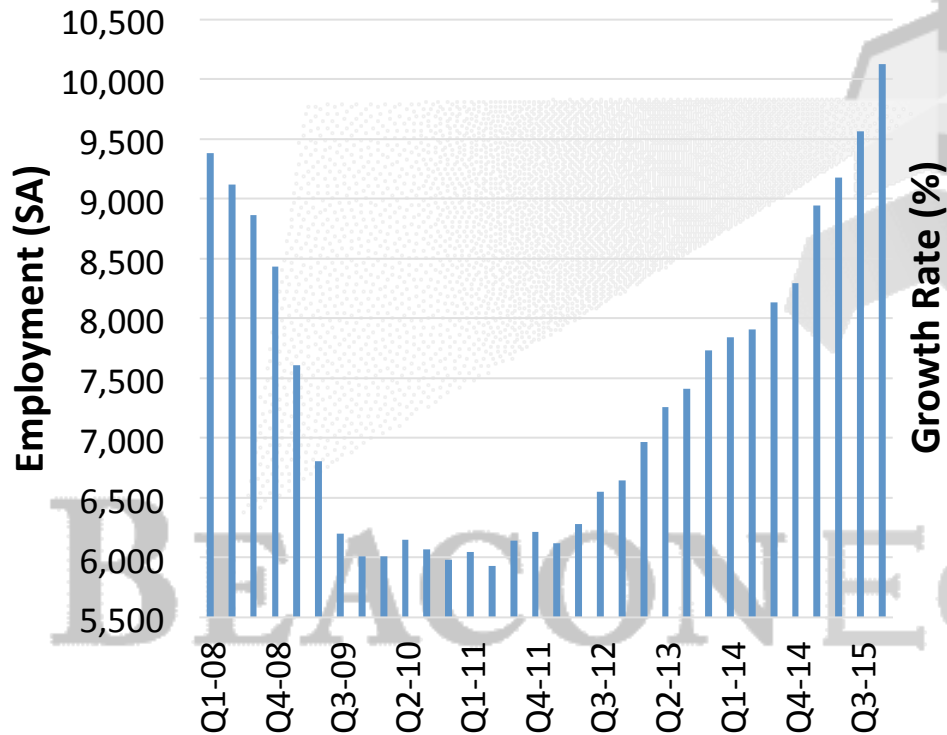


Consumer-Facing Employment by Subsector, 2015

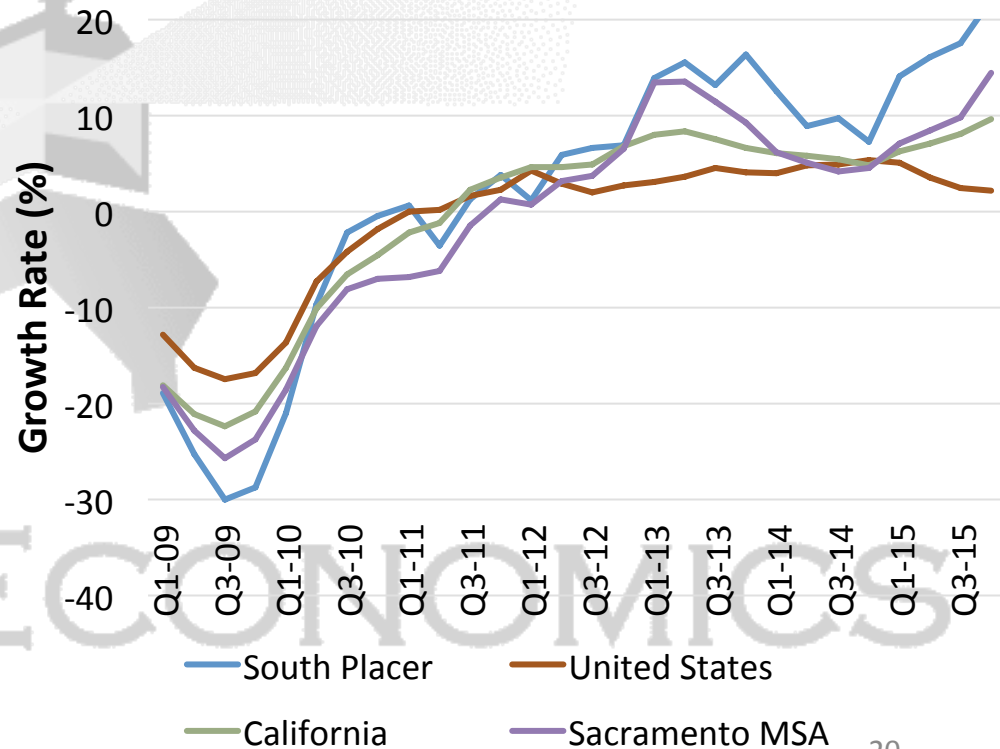
Subsector	Employment		
	Jobs (000s)	5-Year Change	5-Year Growth (%)
Limited-Service Eating Places	5.0	+861	+20.6
Full-Service Restaurants	5.0	+524	+11.7
Grocery Stores	2.8	+565	+25.8
Automobile Dealers	2.3	+767	+49.5
Department Stores	2.0	+319	+18.8
Other General Merchandise Stores	2.0	+145	+7.9
Other Amusement and Recreation Industries	1.9	+161	+9.5
Clothing Stores	1.4	+124	+9.6
Sporting Goods and Musical Instrument Stores	1.0	+400	+64.1
Building Material and Supplies Dealers	1.0	+70	+7.8

Natural Resources and Construction Industry

NR/Construction Employment
South Placer County, Q1-08 to Q4-15

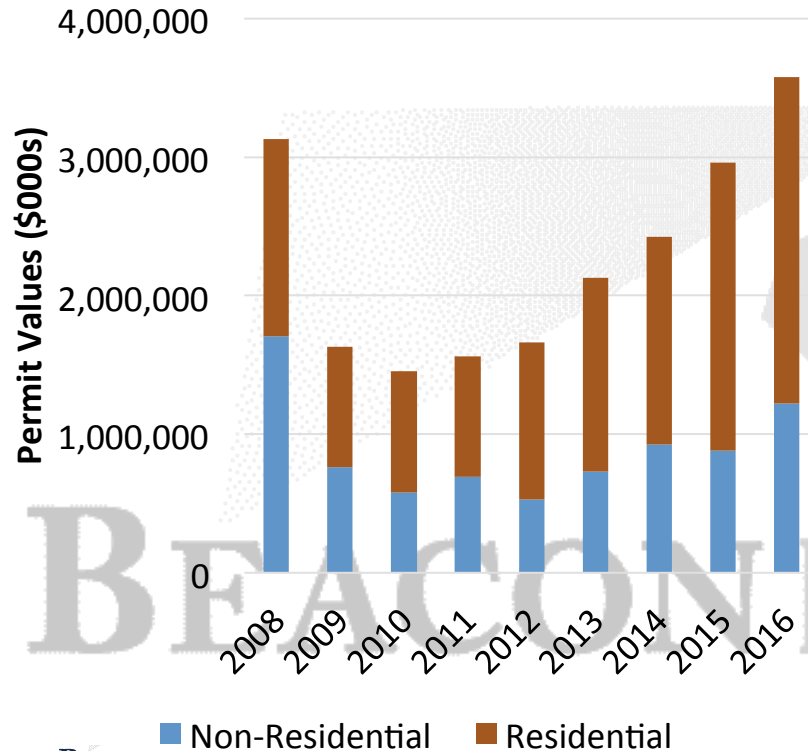


Year-over-Year Employment Growth
NR/Construction, Q1-09 to Q4-15



NR/Construction

Construction Activity
Sacramento MSA

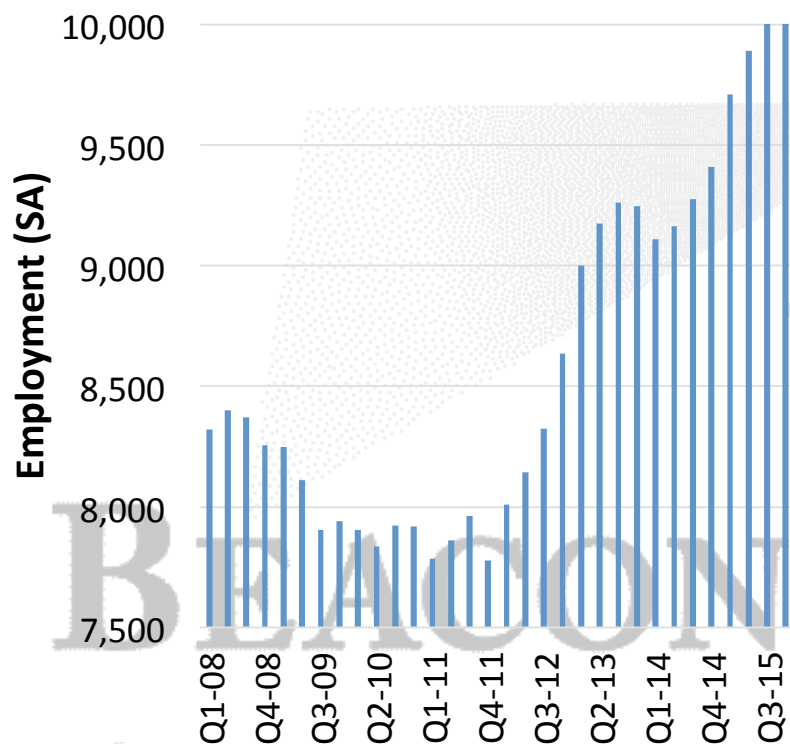


NR/Construction Employment
by City, 2015

City	Employment			Avg. Annual Wage	
	Jobs (000s)	5-Year Change	5-Year Growth (%)	Level (\$000s)	5-Year Growth (%)
Roseville	4.2	+1,619	+61.7	63.4	-2.3
Rocklin	1.5	+500	+52.3	58.6	+15.9
Loomis	1.4	+495	+52.4	50.8	+8.8
SIA	1.0	+333	+51.7	60.0	+7.8
Lincoln	0.8	+383	+101.5	42.9	+16.1
South Placer	9.5	+3,414	+56.4	58.0	+4.9

Financial Services and Real Estate Industry

Fin. Svcs. and Real Estate Employment
Q1-08 to Q4-15



Fin. Svcs. And Real Estate Employment by Subsector, 2015

Subsector	Jobs (000s)	5-Year Change	5-Year (%)
Insurance Carriers	1.9	+402	+26.1
Insurance Agencies and Brokerages	1.8	+556	+44.3
Depository Credit Intermediation	1.4	+211	+17.1
Activities Related to Credit Intermediation	1.2	-35	-2.9
Activities Related to Real Estate	0.6	+218	+51.4
Lessors of Real Estate	0.6	+69	+13.5
Securities and Commodity Contracts Brokerage	0.5	+67	+15.4
Nondepository Credit Intermediation	0.5	+207	+73.7
Offices of Real Estate Agents and Brokers	0.4	+209	+89.9
Other Financial Investment Activities	0.4	+160	+82.4

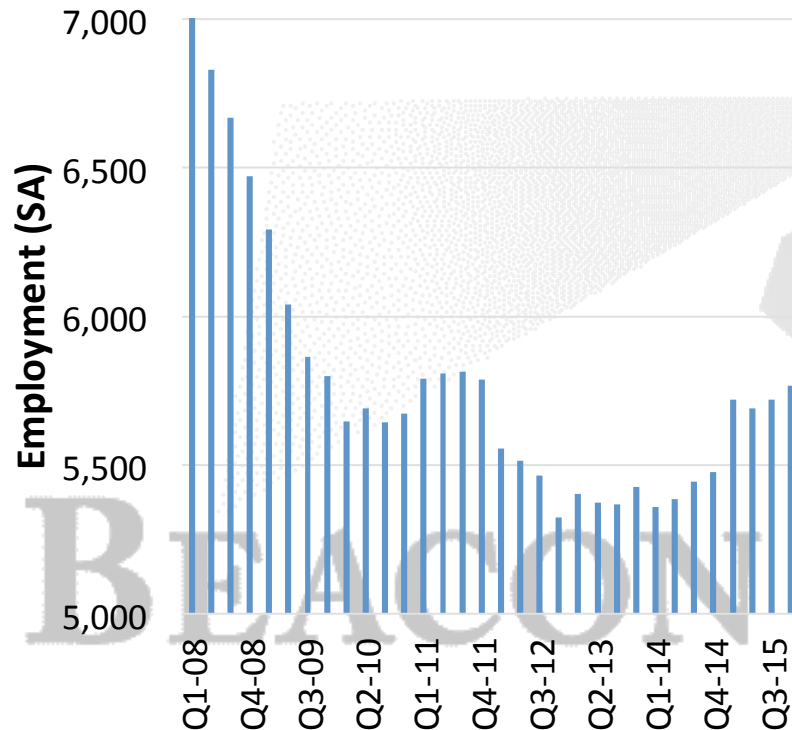
Financial Services and Real Estate by City

Fin. Svcs. And Real Estate Employment by City, 2015

City	Employment			Avg. Annual Wage	
	Jobs (000s)	5-Year Change	5-Year Growth (%)	Level (\$000s)	5-Year Growth (%)
Roseville	7.1	+1,013	+16.8	88.5	+32.7
Rocklin	2.2	+902	+71.7	68.6	+14.7
Lincoln	0.3	+25	+11.0	53.9	+35.8
Loomis	0.1	-3	-2.2	44.9	+35.1
South Placer	9.9	+2,037	+25.8	84.0	+31.0

Manufacturing Industry

Manufacturing Employment
South Placer County, Q1-08 to Q4-15



Manufacturing Employment by Subsector, 2015

Subsector	Employment		
	Jobs (000s)	5-Year Change	5-Year Growth (%)
Computer and Electronic Product Manufacturing	3.0	-526	-15.1
Wood Product Manufacturing	0.5	-118	-19.4
Machinery Manufacturing	0.4	+51	+13.1
Food Manufacturing	0.4	+294	+386.0
Nonmetallic Mineral Product Manufacturing	0.3	+35	+14.2
Fabricated Metal Product Manufacturing	0.3	+74	+39.8

Manufacturing by City

Manufacturing Employment by City, 2015

City	Employment			Avg. Annual Wage	
	Jobs (000s)	5-Year Change	5-Year Growth (%)	Level (\$000s)	5-Year Growth (%)
Roseville	3.5	-492	-12.5	103.5	-1.9
Lincoln	1.0	+316	+46.8	56.1	+15.1
Rocklin	0.7	+157	+28.8	55.9	+0.5
SIA	0.3	+25	+8.2	45.9	+1.8
Loomis	0.2	+23	+13.8	43.2	-0.4
South Placer	5.7	+61	+1.1	83.3	-6.0

Star Sectors

Emerging Subsectors in South Placer County, 2015

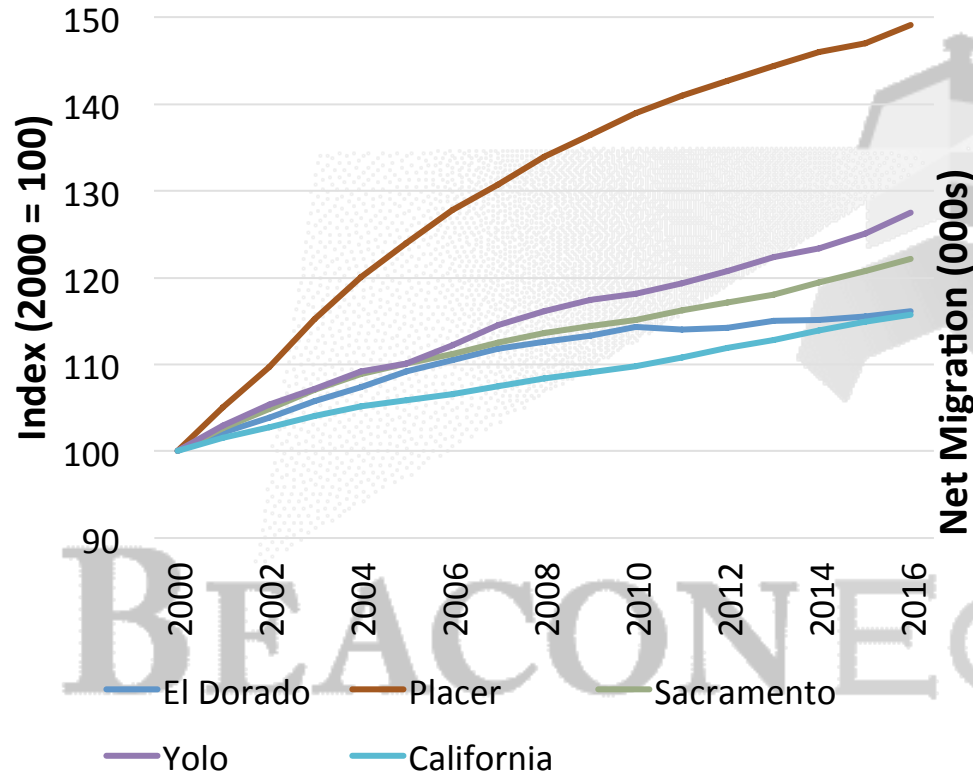
Industry Title	Establishment Count*	Private Employment				Avg. Annual Wage		
		2015 (000s)	5-Year Change	5-Year Growth (%) South Placer	5-Year Growth (%) CA	2015 (\$000s)	5-Year Growth (%) South Placer	5-Year Growth (%) CA
Office Admin Svcs.	23	1.7	+1,380	+418.4	+2.7	65.5	+9.4	+24.0
Individual and Family Svcs.	64	2.2	+1,304	+148.3	+395.2	14.7	-9.2	-48.6
Building Foundation and Exterior Contractors	64	2.2	+1,038	+87.3	+36.0	48.3	+19.4	+17.9
Limited-Service Eating Places	263	5.0	+861	+20.6	-	14.7	+6.9	-
Building Equipment Contractors	95	2.3	+853	+58.7	+38.6	56.8	+5.8	+10.9
Automobile Dealers	27	2.3	+767	+49.5	+26.9	64.5	+24.1	+21.0
Employment Svcs.	30	2.2	+622	+39.9	+39.4	46.8	+31.5	+14.8
Residential Building Construction	85	1.5	+575	+63.5	+26.9	62.9	+15.8	+12.5
Grocery Stores	39	2.8	+565	+25.8	+9.6	31.4	+0.2	+6.5
Mgmt of Companies	34	1.5	+558	+60.1	+19.5	98.4	+13.7	+31.4
Insurance Agencies and Brokerages	84	1.8	+556	+44.3	+21.8	68.0	+22.2	+18.0
Full-Service Restaurants	160	5.0	+524	+11.7	-	21.5	+25.2	-
Community Care Facilities for the Elderly	29	0.9	+506	+133.2	+30.7	23.0	+5.4	+10.7
Commercial Equip. Merchant Wholesalers	22	0.8	+437	+111.2	+6.7	95.1	+11.1	+23.9
Automotive Repair and Maintenance	66	1.0	+414	+70.7	+13.0	42.1	+17.8	+13.0

Source: California Employment Development Department.

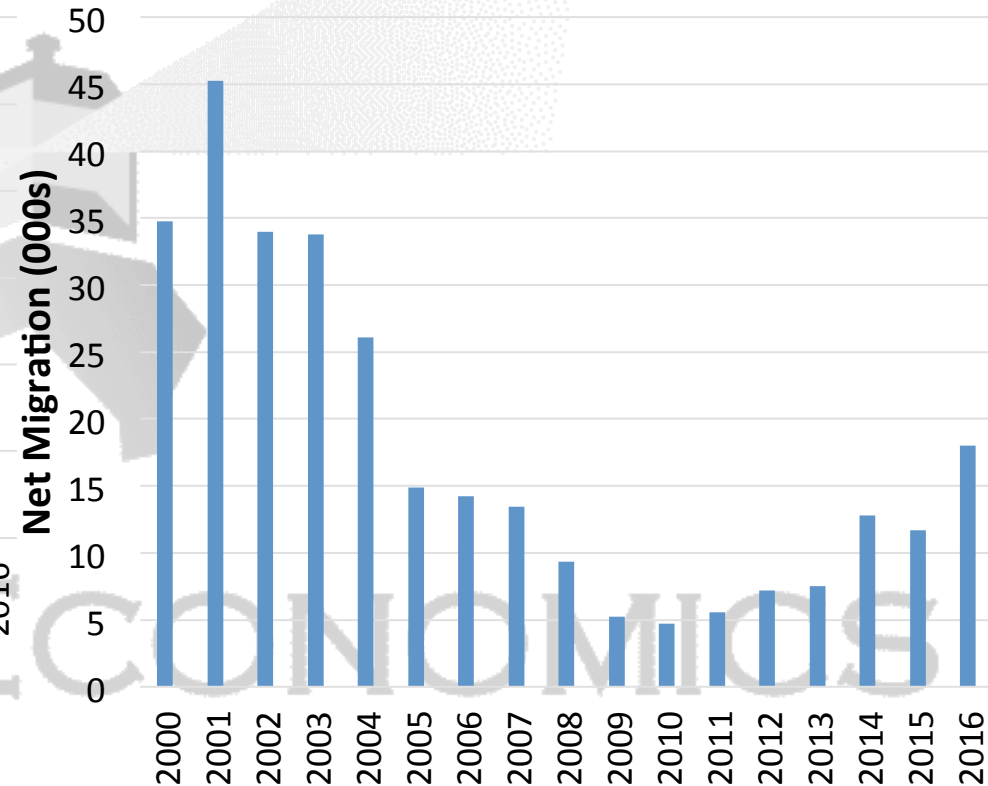
*Measures establishments with 3 or more employees.

Sacramento MSA Population

Population by County Index, 2000 to 2016



Sacramento MSA Net migration, 2000 to 2016



Median Household Incomes

Median Household Income by County, 2015

Place	HH Income 2015	1-Year Growth (%)	5-Year Growth (%)
El Dorado County	79,019	11.1	19.5
Sacramento County	58,942	5.6	11.8
Placer County	75,708	0.4	11.5
Yolo County	58,966	9.7	5.7
California	64,500	4.1	11.8

Office Space: Tighter than most

Submarket	Net Rentable Area	Total Vacancy %	Total Availability %	Q1 Net Absorption	YTD Net Absorption	Average Asking Rate \$
Midtown	1,895,120	7.3	13.6	7,498	7,498	2.08
West Sacramento	1,247,876	6.2	7.9	13,789	13,789	1.69
South Sacramento	1,330,178	18.0	27.3	9,904	9,904	1.43
East Sacramento	415,327	12.5	12.5	-	-	2.30
Elk Grove/Galt	1,185,139	9.3	11.3	2,308	2,308	1.95
Roseville/Rocklin	7,066,921	10.8	13.4	39,022	39,022	1.84
South Natomas	3,211,840	8.0	10.2	66,109	66,109	2.02
Suburban	41,170,048	15.3	19.7	8,610	8,610	1.67
Downtown	10,734,206	11.5	13.3	27,919	27,919	2.45
Market Total	51,904,254	14.5	18.4	36,529	36,529	1.79

Resident Employment

	Sacramento MSA	South Placer		Sacramento MSA	South Placer	
Employed population	1,015,471	117,533	Civilian employed	1015471	117533	
For Profit Emp	62.1%	65.5%	Retail trade	11.4%	13.0%	1.6%
Non-Profit Emp	7.3%	8.3%	Finance and insurance	4.7%	6.0%	1.3%
Government	20.6%	15.7%	Professional, scientific	7.4%	8.7%	1.3%
Self-employed	10.0%	10.4%	Information	1.9%	2.5%	0.6%
			Health care	13.7%	14.3%	0.6%
			Educational services	8.9%	9.2%	0.3%
			Wholesale trade	2.5%	2.7%	0.3%
			Manufacturing	5.9%	6.0%	0.2%
			Management	0.0%	0.1%	0.0%
			Construction	6.4%	6.4%	0.0%
			Real estate	2.2%	1.9%	-0.3%
			Agriculture	1.2%	0.8%	-0.4%
			Other services,	4.7%	4.2%	-0.5%
			Transportation	5.3%	4.6%	-0.7%
			Recreation	9.6%	8.8%	-0.8%
			Administrative	4.7%	3.7%	-1.0%
			Public administration	9.5%	6.9%	-2.6%

Summary

- **Region Growing well**
 - Internal sectors (servicing prosperous local resident population) doing best
 - Construction, Health, Hospitality
 - Small Firms dominating job growth
- **External Sectors: Production to Office**
 - Finance, professional, back office up
 - Decline in higher end manufacturing
- **Surprise Results**
 - Not a bedroom community—more payroll than local employment base
 - Logistics and Public Employment not in great quantity



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